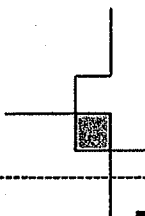


## **EXHIBIT 3**



---

## **Pension Summary Plan Description**

---

*For New York Employees  
Covered By A Collective Bargaining Agreement With I.B.E.W. Local 503  
and Hired On/Before June 1, 2000*

## INTRODUCTION

---

This booklet is your Summary Plan Description ("SPD") that describes the benefits provided under the Mirant Services Pension Plan for Bargaining Unit Employees (the "Plan") for employees of Mirant New York, Inc. ("Mirant" or "Mirant New York") who are members of Local 503 of the International Brotherhood of Electrical Workers and were hired on or before June 1, 2000. If you are a former employee of Orange and Rockland Utilities, Inc. ("O&R"), are listed on a schedule approved by the Americas Benefits Committee (the "Committee") and are a member of Local 503, you will be referred to as a "Scheduled Employee." Various sections of this SPD will describe special rules applicable only to Scheduled Employees. **If you are not an employee of Mirant who was hired on or before June 1, 2000, this SPD does not describe your benefits. You should call the Mirant Pension Service Center at 1-888-744-4881 to obtain a copy of the SPD describing your pension benefits.**

The Plan is designed to help provide you with a solid foundation of income after you retire. When you add this income to your Social Security and personal savings, you will have a sound program to provide financial security for your retirement.

This SPD describes the Plan in non-technical, easy-to-understand language. It explains what your benefits are, as well as your rights and responsibilities under the Plan. For the sake of clarity, some legal terms have been translated to everyday language, and some technical details have been left out. In case of a conflict between the information in this SPD and the formal Plan document, the Plan document will control.

If you would like more specific information than this SPD provides, or if you would like to inspect the Plan document, call the **Mirant Pension Service Center at 1-888-744-4881**. Copies of the document are available for a reasonable charge.

## CONTENTS

<b>Eligibility .....</b>	<b>1</b>
<b>Plan Cost .....</b>	<b>2</b>
<b>How Your Service Counts Toward Your Retirement Benefit.....</b>	<b>3</b>
<b>Calculation of Earnings .....</b>	<b>5</b>
<b>When You May Retire .....</b>	<b>6</b>
<b>Normal Retirement.....</b>	<b>9</b>
<b>Early Retirement .....</b>	<b>11</b>
<b>Temporary Supplement .....</b>	<b>12</b>
<b>Deferred Retirement .....</b>	<b>13</b>
<b>Disability Retirement .....</b>	<b>14</b>
<b>Vested Benefit .....</b>	<b>15</b>
<b>How Your Benefit Is Paid .....</b>	<b>16</b>
<b>Pension Benefit Adjustments During Retirement .....</b>	<b>19</b>
<b>If You Die .....</b>	<b>20</b>
<b>If Your Service Is Interrupted.....</b>	<b>23</b>
<b>Other Important Information .....</b>	<b>24</b>
<b>Claims Procedures.....</b>	<b>26</b>
<b>Your Rights If The Plan Is Amended or Ends.....</b>	<b>31</b>
<b>Administrative Information .....</b>	<b>32</b>
<b>ERISA Statement of Rights .....</b>	<b>33</b>
<b>Examples .....</b>	<b>35</b>

## **ELIGIBILITY**

---

If you are a Scheduled Employee and were covered under the O&R Plan, you will be a participant in the Plan as of July 1, 1999.

For all other employees, you are eligible to participate in the Plan if you meet all of the following requirements:

- you have one year of Eligibility Service (if you are a Scheduled Employee, you will receive credit for service with O&R)
- you are a member of Local 503
- you are classified by Mirant as a:
  - regular full-time employee
  - regular part-time employee
  - cooperative education student

You are not eligible to participate if you meet any of the following requirements:

- you are a temporary employee
- you are a leased employee
- you are an independent contractor

Once you have met the above eligibility requirements, you are automatically enrolled in the Plan.

This SPD only pertains to those eligible employees who were hired on or before June 1, 2000. If you were hired on or before June 1, 2000, you terminate your employment and you are rehired after June 1, 2000, you will not receive the benefits described in this SPD upon your rehire (although the benefits you previously accrued will be protected). Please call the Mirant Pension Service Center at 1-888-744-4881 to obtain the SPD describing your benefits.

## **PLAN COST**

---

Mirant Services, LLC, the Plan sponsor, and certain affiliated companies, including Mirant New York, pay all costs of the Plan. There are no deductions from your pay or contributions that you must make.

Contributions made to the Plan are held in trust by State Street Bank, the Plan Trustee. This money and the income it earns through investments are used to operate the Plan and to pay benefits. You are not taxed on contributions to the Plan until you receive retirement benefits.

## HOW YOUR SERVICE COUNTS TOWARD YOUR RETIREMENT BENEFIT

---

Your service with Mirant affects your retirement benefit in several ways.

- **Eligibility Service** determines when you become a participant in the Plan. You must have one year of Eligibility Service to participate in the Plan. You earn a year of Eligibility Service once you have earned 1,000 Hours of Service in a "year." A "year" is the first twelve (12) consecutive months of your employment measured from the day you start work. After that, it is a calendar year beginning with the calendar year in which you reach your first anniversary with Mirant. You will participate in the Plan on the first day of the first month next following your completion of one year of Eligibility Service.

If you are a Scheduled Employee who was a participant in the O&R Plan, you became a participant in the Plan on July 1, 1999. For purposes of determining Eligibility Service for all other Scheduled Employees, your first "year" begins on your date of hire at O&R. Thus, if your date of hire at O&R was December 1, 1998, and if on November 30, 1999 you had accrued 1,000 hours of service (for example, 500 with your former employer and 500 with Mirant), you will have a year of Eligibility Service and be eligible to become a participant in the Plan on December 1, 1999.

- **Vesting Service** determines when you will have a nonforfeitable right to a retirement benefit. Once you have 5 years of Vesting Service, you will have a right to a benefit from this Plan - even if you leave Mirant before you retire. You are credited with one year of Vesting Service during each Plan Year in which you complete 1,000 hours of service. A Plan Year is the same as a calendar year.
- **Accredited Service** helps determine how much you will receive each month after you retire. It also determines your eligibility for early retirement. Accredited Service begins when you become a participant in the Plan and generally includes each Plan Year of participation during which you complete 1,000 Hours of Service. You will also receive Accredited Service for partial years of participation (completing less than 1,000 hours), in the first and last years in which you participate in the Plan, determined under uniform rules of the Americas Benefits Committee (the "Committee"). See page 32 for more information about the Committee.

If you are a Scheduled Employee, when determining your Eligibility Service, Vesting Service and Accredited Service, you will be given credit for your service with O&R that was previously credited under the O&R Plan.

Under the Plan, you earn years of service based on the hours you work. Occasionally, you may earn Hours of Service when you did not actually work (for example, when you take paid vacation days). With a few exceptions, you earn an Hour of Service for each hour you are paid. Hours of Service include: regular and overtime hours, vacations, holidays, paid leaves of absence (including sick days), and some unpaid leaves of absence. You may not earn Hours of Service while you are receiving Workers' Compensation benefits. You begin earning Hours of Service

for Eligibility Service and Vesting Service on your first day at work. You begin earning Hours of Service for Accredited Service after you become a Plan participant.

In general, your service includes the entire period of your employment with Mirant, starting with your first day of work. Your Accredited Service may be shorter than your Vesting Service, depending on your Hours of Service during a Plan Year and whether you have a break-in-service. In the table below a "yes" indicates that service during your absence is included.

<b>For absence due to</b>	<b>Eligibility and Vesting Service</b>	<b>Accredited Service</b>
Leave with pay (includes paid Family and Medical Leave or certain sick leave).	Yes	Yes
Authorized leave without pay (includes Family and Medical Leave, but does not include military leave or certain sick leave). You must return to work at the end of the authorized leave of absence to receive service credit.	Yes	No
Military leave (you must return to work within 90 days of discharge).	Yes	Yes
Disability after you are vested (you must be receiving Social Security disability benefits or Mirant long-term disability benefits and cannot be receiving disability retirement income from the Plan).	Yes	Yes
Maternity or paternity leave that does not qualify as Family and Medical Leave (you receive only enough service credit to keep you from having a break-in-service. Also, you must return to work at the end of the authorized leave of absence to receive service credit).	Yes	No

See page 23 for a discussion of what happens if your service is interrupted.



## **CALCULATION OF EARNINGS**

---

Your Earnings are important in determining your pension benefit. Not all compensation that you receive from Mirant (and O&R, if you are a Scheduled Employee) is included in Earnings. Earnings will include (1) your rate of yearly salary or hourly wages actually paid and (2) before tax contributions you make to the Savings Plan and Health and Welfare Benefits Plan. Earnings do not include (1) overtime pay (2) contributions to any nonqualified deferred compensation plan or (3) bonuses. See **Maximum Pension Benefit** on page 24 for information about compensation limits in determining your benefit.

## WHEN YOU MAY RETIRE

---

Your retirement benefits begin on the retirement date you choose, and they continue for the rest of your life.

### **Normal Retirement**

Your Normal Retirement Date is the first day of the month that follows your 65th birthday. If you are vested when you leave Mirant, your monthly pension payments must begin by your Normal Retirement Date. However, you may be eligible to start receiving your benefits earlier (see **Early Retirement** below) or you may decide to continue working for Mirant and receive your benefits later (see **Deferred Retirement** below).

In general, you will receive your first check no later than the first day of the second month after you submit your payment election form and any necessary consent forms (assuming you have left Mirant by that time). The payment you receive will be retroactive to your elected retirement date.

### **Early Retirement**

Your Early Retirement Date is the first day of the month coinciding with or following your 55<sup>th</sup> birthday, provided you have completed at least 10 years of Accredited Service. (Remember that your Accredited Service may be shorter than your Vesting Service depending on your age at date of hire, your Hours of Service in a Plan Year and whether you have a break-in-service). You may retire on the first day of any month after you reach your Early Retirement Date. However, your benefit will be reduced unless the sum of your age and years of Eligibility Service equals at least 85 on your Early Retirement Date. This is referred to as the "Rule of 85" (discussed below). If you elect to defer commencement of your pension benefit until you reach age 65, your benefit will not be reduced for early commencement.

### **Deferred Retirement**

Your Deferred Retirement Date is the first day of the month following retirement after your Normal Retirement Date. If you continue to work after your Normal Retirement Date, your benefit payments will not begin until you actually retire (even if you work beyond age 70½). Additionally, upon reaching age 65, you will be notified that your benefits will not begin as long as you continue to work for Mirant. When you do decide to retire, your monthly benefit from the Plan must start on the first of the month following your separation from employment with Mirant.

Salary increases and the additional service you earn after your Normal Retirement Date may increase the benefit you receive at retirement. Additionally, if you remain employed with Mirant beyond age 70½ your benefit at retirement will not be less than the benefit you could have received had you retired at age 70½. Your age 70½ minimum benefit amount increases from year to year after you reach age 70½. This increase reflects the value of monthly benefits you elected not to receive from the Plan as a result of your choice to continue working for Mirant.

### **Disability Retirement**

For a disability retirement, you must have:

- not reached your Normal Retirement Date;
- at least 10 years of Accredited Service;
- ceased active employment with Mirant because of a total and permanent disability (as determined by the Social Security Administration or a physician designated by you and a physician designated by the Committee, in accordance with the terms of the Plan); and
- timely submitted an application for a disability retirement benefit.

See page 14 for additional details.

### **If you leave Mirant before retirement**

If you leave Mirant or another employing company before you reach your Normal Retirement Date or Early Retirement Date, you may still receive a benefit. If you have at least 5 years of Vesting Service, you are vested and entitled to a benefit at age 65. You may start your benefit as early as age 55 (if you have at least 10 years of Accredited Service), but if you do so, your benefit will be reduced because you terminated before you reached your Early Retirement Date.

### **If you return to work after retirement**

If you begin receiving your benefit and then return to work, your benefit may be stopped. Unless you waive further participation in the Plan, you will not receive your monthly pension benefit for any month in which you work at least 40 hours. You will not be paid back for pension payments you missed because you were working. However, you may accrue more service and earn an additional benefit if you are working for Mirant and have not waived further participation in the Plan. The additional benefit, if any, may be calculated under a different formula not described in this SPD. If you accrue an additional benefit, your benefit will be increased when you terminate employment and start receiving your benefit again. Please call the Mirant Pension Service Center at 1-888-744-4881 to determine if you will accrue an additional benefit.

### **The Rule of 85**

The Rule of 85 is a calculation that combines your age and Eligibility Service. If this sum is equal to or greater than 85 on your Early Retirement Date, you have satisfied the Rule of 85. This calculation is performed upon your separation of employment which can occur at your retirement, termination or death. Satisfying the Rule of 85 entitles you to retire as early as age 55 without your pension benefit being reduced. If you elect to receive your benefit prior to your Normal Retirement Age without the Rule of 85, you will receive a reduced pension benefit. If you terminate prior to reaching your Early Retirement Date (i.e., prior to reaching age 55 with 10 years of service), you will not satisfy the rule of 85.

For example:

<b>Your age at retirement, termination or death</b>		<b>Your Years of Service at retirement, termination or death</b>	<b>Total</b>	<b>Rule of 85</b>
55 and 6 months = 56	+	33	89	Yes
56 and 5 months = 56	+	32	88	Yes
57 and 7 months = 58	+	30	88	Yes
55 and 2 months = 55	+	29	84	No

## NORMAL RETIREMENT

The formula used to calculate your benefit depends on your date of retirement. If you retire prior to January 1, 2001, you belong to Group 1. If you retire on or after January 1, 2001, you belong to Group 2.

### Benefit Formula for Group 1

If you retire on your Normal Retirement Date, but prior to January 1, 2001, you belong to Group 1 and your Normal Retirement Benefit is equal to:

The income payable to you, as defined and accrued under the O&R Plan as of June 30, 1999 (but excluding the O&R Severance Benefit which is included in (b) below)

plus

One-twelfth ( $1/12^{\text{th}}$ ) of 2% of the sum of: (a) your Earnings during each year of Accredited Service beginning on and after July 1, 1999, plus (b) two (2) times your final annualized rate of Earnings at retirement.\*

\*The benefit described in this subsection (b) is a special severance benefit and is described as the "O&R Severance Benefit" in this SPD.

### Benefit Formula for Group 2

If you retire on your Normal Retirement Date, but on or after January 1, 2001, you belong to Group 2 and your Normal Retirement Benefit is equal to the *greater* of Formula (1) or (2) below:

- (1) The income payable to you, as defined and accrued under the O&R Plan as of June 30, 1999 (but excluding the O&R Severance Benefit which is included in (b) below)

plus

One-twelfth ( $1/12^{\text{th}}$ ) of 2% of the sum of: (a) your Earnings for each year of Accredited Service on and after July 1, 1999, plus (b) two (2) times your final annualized rate of Earnings at retirement.

- (2) One-twelfth ( $1/12^{\text{th}}$ ) of 1.5% of your annual rate of earnings as of June 1, 1996 multiplied by your years of Accredited Service on December 31, 1995, but not less than your accrued benefit under the O&R Plan on December 31, 1995 (all of which will be calculated based on information provided by O&R);

plus

One-twelfth ( $1/12^{\text{th}}$ ) of 2% of the sum of: (a) your Earnings for each year of Accredited Service after December 31, 1995, plus (b) two (2) times your final annualized rate of Earnings at retirement.

**Adjustment for Scheduled Employees**

If you are a Scheduled Employee who has a vested benefit under the O&R Plan, your pension benefit under this Plan will be adjusted to offset the value of your benefit available under the O&R Plan, as set forth on a schedule to the Plan. This offset applies to all benefits described in this document, including, but not limited to Normal Retirement benefits, Early Retirement benefits, Temporary Supplements, Deferred Retirement benefits, Disability Retirement benefits and vested benefits.

*The above amounts may be reduced depending upon the form of payment. See page 16 for information on forms of payment.*

See page 35 for an example of Group 1 and page 37 for an example of Group 2.

## **EARLY RETIREMENT**

---

If you satisfy the Rule of 85 and you retire on or after your Early Retirement Date, you are eligible to collect your unreduced benefit as early as age 55.

If you do not satisfy the Rule of 85, your Early Retirement Benefit will be reduced by 4% for each year (or 1/3 of 1% for each whole calendar month) that payment of your Early Retirement Benefit begins before the first of the month on or after your 60<sup>th</sup> birthday. If you do not want to receive a reduced benefit following your Early Retirement Date, you can postpone your Early Retirement Benefit until age 60 and receive a Normal Retirement Benefit, based on your service and earnings as of your Early Retirement Date.

*The above amounts may be reduced depending upon the form of payment. See page 16 for information on forms of payment.*

*The above amounts may also be reduced if you are a Scheduled Employee. See page 10 for information on adjustments applicable to the benefits payable to Scheduled Employees.*

See page 35 for an example of Group 1 and page 37 for an example of Group 2.

## **TEMPORARY SUPPLEMENT**

---

If you leave Mirant after your Early Retirement Date but prior to January 1, 2001, and begin receiving benefits under the Plan after you reach age 60, but before you reach age 62, you will receive a supplemental payment of \$600.00 for each month beginning on the date you begin receiving benefits and ending after payment is made for the month in which you reach age 62 (or die, if sooner).

If you leave Mirant after your Early Retirement Date and on or after January 1, 2001, and begin receiving benefits under the Plan after you reach age 58, but before you reach age 62, you will receive a supplemental payment of \$600.00 for each month beginning on the date you begin receiving benefits and ending after payment is made for the month in which you reach age 62 (or die, if sooner).

The supplemental payments will not be figured into any optional form of payment.

*You will not be eligible for a temporary supplement if you could receive a temporary supplement under the O&R Plan. Instead, you should receive your temporary supplement from the O&R Plan.*



## **DEFERRED RETIREMENT**

---

The Deferred Retirement Benefit is equal to the greater of (1) or (2):

- (1) your Normal Retirement Benefit, calculated as of your Deferred Retirement Date
- (2) your Normal Retirement Benefit, calculated as of your Normal Retirement Date, subject to any adjustment required by law

In general, if you retire before age 70½, no adjustments are required and the benefit you receive will be determined under (1), above. Upon reaching age 65, you will be notified that your benefit will not start until your employment with Mirant ends.

However, if you work beyond age 70 ½, then your retirement benefit will not be less than the benefit you could have received at age 70½ as adjusted for your delayed retirement under (2), above. This minimum benefit may be larger than the benefit determined under (1), above, at your Deferred Retirement Date.

*The above amounts may be reduced depending upon the form of payment. See page 16 for information on forms of payment.*

*The above amounts may also be reduced if you are a Scheduled Employee. See page 10 for information on adjustments applicable to benefits payable to Scheduled Employees.*

## DISABILITY RETIREMENT

If you qualify, you may elect to receive a Disability Retirement Benefit under the Plan. To be eligible for a Disability Retirement Benefit, you must have at least 10 years of Accredited Service. To apply for a Disability Retirement Benefit, you must send a written application to the Americas Benefits Committee (the "Committee") within six months following the date you stop performing your job duties as a result of your disability. A representative of the Committee will contact you to go over your application and let you know if more information is needed. The Committee must decide if you are totally and permanently disabled. The Committee's decision will be based on (1) the certifications of two physicians (one selected by you and one selected by the Committee) showing you are totally and permanently disabled in accordance with the terms of the Plan or (2) your eligibility to receive Social Security disability benefits. Your Disability Retirement Date is the first day of the month which is at least 30 days but not more than 90 days after the Committee receives and acknowledges your completed written application, if approved. Please see page 27 for a discussion of the Disability Retirement Claims Procedures.

You will not earn any Accredited Service or additional retirement benefits during any period you are receiving disability retirement benefits. However, if you are eligible for disability leave, you may make a one-time election to discontinue Disability Retirement Benefits and commence disability leave for which you may earn Accredited Service and additional retirement benefits. In order to be eligible for disability leave for which you may earn Accredited Service and additional retirement benefits, you must have completed 5 years of Vesting Service and be receiving Social Security disability benefits or long-term disability benefits under Mirant's long-term disability benefit plan.

The Disability Retirement Benefit is equal to your Normal Retirement Benefit, calculated as of your Disability Retirement Date. There is no reduction in the amount of your Disability Retirement Benefit for early commencement. However, the Disability Retirement Benefit will still be reduced by the O&R offset and reduced for forms of payment. If your Disability Retirement Date occurs before you reach age 55, you will also receive a disability supplement until you reach age 55. The disability supplement will equal the amount of your O&R offset and will be payable until age 55 (when you have access to your O&R benefit). The Disability Retirement Benefit is payable subject to proof of your continuing disability until age 65, as required by the Plan and in accordance with procedures established by the Committee. At age 65, your Disability Retirement Benefit ends and your Normal Retirement Benefit begins.

Proof of disability is not required after age 65, and any required adjustments for Accredited Service earned after the commencement of the Disability Retirement Benefit as a result of becoming eligible for disability leave will be made to the benefit payable after your Normal Retirement Date.

*The above amounts may be reduced depending upon the form of payment. See page 16 for information on forms of payment.*

*The above amounts may also be reduced if you are a Scheduled Employee. See page 10 for information on adjustments applicable to benefits payable to Scheduled Employees.*

## **VESTED BENEFIT**

---

If you leave Mirant after completing at least 5 years of Vesting Service, your vested benefit begins on your Normal Retirement Date. If you have at least 10 years of Accredited Service when you leave Mirant, you can receive a vested retirement benefit as of the first day of any month *after age 55*. The benefit is calculated using the same formulas as a Normal Retirement Benefit (based on your Accredited Service and Earnings when you end employment), but will be *reduced by*:

- 6% for each year (or  $\frac{1}{2}$  of 1% for each calendar month) that the benefit is paid before the first of the month following your 65<sup>th</sup> birthday, and
- a certain percentage (see page 21) to account for the vested member spouse's benefit (this death benefit protection begins on your termination date and ends on your death, unless this protection is waived).

To receive a vested retirement benefit, a written request must be received and acknowledged by the Committee thirty days before the first day of the month that you would like to have your vested retirement benefit begin.

*The above amounts may be reduced depending upon the form of payment. See page 16 for information on forms of payment.*

*The above amounts may also be reduced if you are a Scheduled Employee. See page 10 for information on adjustments applicable to benefits payable to Scheduled Employees.*

## HOW YOUR BENEFIT IS PAID

To formally apply for retirement, contact the Mirant Pension Service Center at 1-888-744-4881 within 90 days of the date you wish to receive your first payment. You will be sent a Retirement Kit containing important information about your pension benefits as well as benefit election forms. Review the information in the kit, including the summary of data that was used to calculate your benefit. Next, complete the forms necessary to receive your retirement income benefits. You will be required to provide proof of your age and the age of your joint annuitant, if any, and of your marital status (such as a marriage certificate or divorce papers).

The method of payment for your benefit depends on whether you are married or single when you begin receiving your benefit.

### **Automatic Joint and Surviving Spouse Annuity**

If you are married when you start receiving your benefit, by law you must receive your benefit as a joint and survivor annuity, unless your spouse agrees in writing to another form of payment. The Plan offers a 50% joint and survivor annuity (also referred to as the "50% Spouse Joint and Survivor Benefit").

The 50% Spouse Joint and Survivor Benefit is payable to you for your lifetime, but the amount is reduced to cover the cost of any additional benefits that may be provided to your spouse after your death. In the event of your death, if your spouse (to whom you are married at retirement) is living, a continuation of 50% of your pension benefit would be payable for your spouse's lifetime. If your spouse (to whom you are married at retirement) should pre-decease you, no further pension benefits would be paid after your death. With your spouse's written consent, you may also choose from the other payment options (discussed below).

### **Single Life Annuity**

If you are single, the normal form of payment is a life annuity. A life annuity pays you a benefit each month from your retirement date to your death. When you die, your payments stop, regardless of how many payments you received. The life annuity commences on your Early Retirement Date, Normal Retirement Date or Deferred Retirement Date, whichever is applicable.

The life annuity does not provide a benefit to your spouse or anyone else if you die first. If you are married, your spouse must agree in writing for you to choose this option.

### **Optional Joint and Survivor Annuity**

This pension benefit is payable to you as a 100% Joint and Survivor annuity. This option would reduce the pension benefit paid to you and is based on both your age and the age of your spouse. If you should die prior to your spouse, he or she would receive the applicable elected benefit for the remainder of his or her life. No payments would be payable after your death and that of your spouse. If you are married and your spouse is not designated as your beneficiary, then your spouse must sign a spousal consent waiver and have it notarized prior to electing this option. Also, if you elect the 100% joint and survivor annuity, regardless of whether your spouse is the beneficiary, your spouse will first need to sign the spousal consent waiver and have it notarized.

**Pop-Up Annuities**

These options are like the joint and survivor annuity options, except that if your designated "survivor" dies before you, your future monthly benefit would "pop-up," or increase, to the single life annuity amount.

**Waiving Spousal Benefits**

Unless waived by your Spouse, your pension benefit must be paid in the form of a 50% Joint and Survivor benefit. To waive this spousal benefit, your spouse must sign a form that states:

- That he or she agrees to reduced or no Plan benefits,
- Which option you are choosing instead of a qualified joint and survivor annuity, and
- That he or she agrees to your election.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a court to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

**Changing Your Election**

Before your benefit payments begin, you may change from the standard form of benefit payment option to any other form provided you have written spousal consent, if applicable.

**If your spouse dies or you divorce**

If your spouse dies or you divorce before your payments begin, you should notify the Mirant Pension Service Center at 1-888-744-4881. In this case, your benefit will be paid as if you had always been single. If your ex-spouse has a Qualified Domestic Relations Order, he or she may be entitled to all or a portion of your pension benefit. If your spouse dies after your payments begin, your benefit election stays the same. If you divorce after payments begin, your former spouse remains your beneficiary if you die, even if you remarry.

**Paying Small Benefits (Cash-Outs)**

Notwithstanding any other provision of this SPD, if the present value of your accrued benefit is \$5,000 or less, you will receive your benefit as a single lump sum distribution in cash or you may transfer all or part of it to an Individual Retirement Account (IRA) or another qualified retirement plan.

After you terminate employment and before your pension benefits begin, the Mirant Pension Service Center (1-888-744-4881) will value your benefit and let you know whether you will receive a single lump-sum payment or future monthly installments.

If you receive a single lump-sum payment, the lump-sum payment you receive will cash-out your entire interest in the Plan and no additional benefits will be paid from the Plan.

**Example**

Assume Mary decides to retire from Mirant. She is 62 years old and is eligible for early retirement when she leaves Mirant. Additionally, she is married and her spouse is also 62 years old when Mary retires. Also, let's assume that Mary is eligible to receive a monthly benefit of \$1,000 from the Plan as a life annuity. Her payment options are as follows.

Mary's Chosen Payment Option:	Mary's Benefit at Retirement:	Mary's Surviving Spouse Will Receive:	If Spouse Predeceases Mary, Mary's Benefit Will Be:
Life Annuity	\$1,000	\$0	\$1,000
50% Joint and Survivor	\$890	\$445	\$890
100% Joint and Survivor	\$810	\$810	\$810
50% Pop-Up	\$880	\$440	\$1000
100% Pop-Up	\$790	\$790	\$1000

## **PENSION BENEFIT ADJUSTMENTS DURING RETIREMENT**

---

Participants receive a pension adjustment, if cumulative inflation, as measured by the Consumer Price Index (as defined in the Plan, as amended), has grown by 20% since retirement. Cumulative inflation is measured relative to the year immediately preceding the year in which the retirement income begins.

Once the 20% threshold has been met, there is an annual adjustment applied to the pension payment, which becomes effective on July 1<sup>st</sup> of each following year. The adjustment is the lesser of: (1) 75% of cumulative inflation over 20% or (2) a 3% annual cumulative maximum percentage (the 3% cumulative maximum percentage accumulates over the same period that cumulative inflation has exceeded 20%). Cumulative inflation is measured at the end of each calendar year and the adjusted pension benefit for the upcoming July 1<sup>st</sup> is the lesser of the two cumulative percentages described above multiplied by the initial pension payment amount.

See page 40 for an example.